

Hart Schaffner & Marx

ANNUAL REPORT FOR 1971

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUREAU



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DIVISIONS

Hart Schaffner & Marx Clothes

36 South Franklin Street, Chicago, Ill. 60606.

Hart Schaffner & Marx Retail Division

36 South Franklin Street, Chicago, Ill. 60606.

Hickey-Freeman Co., Inc.

1155 Clinton Ave. North, Rochester, N.Y. 14621.

Jaymar-Ruby, Inc.

5000 South Ohio Street, Michigan City, Ind. 46360.

M. Wile & Company, Inc.

77 Goodell Street, Buffalo, N.Y. 14240.

Johnny Carson Apparel, Inc.

77 Goodell Street, Buffalo, N.Y. 14240.

Gleneagles, Inc.

Gleneagles Court, Baltimore, Md. 21204.

Great Western

(Robitshek-Schneider Company)

110 North Fifth Street, Minneapolis, Minn. 55403.

Austin Reed of Regent Street

36 South Franklin Street, Chicago, Ill. 60606.

Craigmore Clothes, Inc.

400 South Peoria Street, Chicago, Ill. 60607.

Blue Jeans Corporation

130 West 34th Street, New York, N.Y. 10001.

New York City sales offices for each manufacturing division (except Craigmore and Blue Jeans):
1290 Avenue of the Americas, New York, N.Y. 10019.

HART SCHAFFNER & MARX

Corporate office:

36 South Franklin Street, Chicago, Ill. 60606.

TRANSFER AGENTS

The First National Bank of Chicago, Chicago, Ill. 60690.
Bankers Trust Company, New York, N.Y. 10015.

REGISTRARS

Continental Illinois National Bank and Trust Company
of Chicago, Chicago, Ill. 60690.

Chemical Bank New York Trust Company,
New York, N.Y. 10015.

Hart Schaffner & Marx common shares are traded
(under the "HSM" symbol) on the New York and
Midwest Stock Exchanges.

Cover: Golfer Jack Nicklaus wears a blazer
from a special Hart Schaffner & Marx collection of
British double-knit fabrics.

Right: Chas. A. Stevens of Chicago opened
three women's apparel stores during 1971.
The Randhurst Center store is shown here.

HIGHLIGHTS

Year ended November 30,
1971 1970

Net sales	\$372,022,000	\$363,406,000
Net earnings	10,350,000	11,370,000
Average shares outstanding—common shares and common share equivalents	8,749,000	8,738,000
Earnings per share	1.18	1.30
Shareholders' equity	149,645,000	146,160,000
Equity per share	17.12	16.74
Working capital	\$147,528,000	\$154,299,000
Additions to property and equipment	9,249,000	10,368,000
Depreciation	5,905,000	5,335,000
Employees	19,000	18,500
Shareholders	7,200	6,700
Retail stores	256	248

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE





John D. Gray

Jerome S. Gore

TO OUR SHAREHOLDERS:

A brief description of the Company may be appreciated by those who are reading the Company's report for the first time. Hart Schaffner & Marx has been in business since 1887, and the activities of the Company are centered in men's quality apparel with approximately equal emphasis on manufacturing and retailing. The largest manufacturing division produces Hart Schaffner & Marx, the best known brand of men's clothing in the world, which is featured in the men's stores owned by the Company and in over 2000 of the finest department stores and independent specialty stores.

Earnings of \$10,350,000 or \$1.18 per share for the Company's fiscal year ended November 30, 1971 were nine percent lower than the \$11,370,000, or \$1.30 per share earned in 1970. The entire decline occurred in the first half from decreased margins, lower levels of manufacturing and increased expenses incurred in operating additional stores. Earnings increased \$778,000 or 34 percent in the last quarter when economic conditions and retail sales of apparel improved.

Consolidated sales in fiscal 1971 reached a record high of \$372,022,000, or 2.4 percent higher than the previous year's sales of \$363,406,000. The increase occurred in the Retail Division, which had sales exceeding \$265 million in 1971, including sales of departments leased to others but not included in consolidated sales.

The Company expanded during 1971 with the opening of nine men's and five women's stores. The Company's 256 stores include 15 women's apparel stores; the remainder are men's apparel stores, half of which also sell women's apparel. In addition to these stores, five smaller stores were opened in 1971 to sell slacks and jeans only. Special shops appealing to the youth market opened in many stores in 1971, and there are now about 50 of these shops within the 256 stores. In the

past four years the Company has opened 79 new stores, equal to the total number of stores owned in 1960. Almost all of these 79 stores are located in shopping centers, and a favorable impact is expected from this expansion program as these stores continue to grow in sales.

The consent order entered June 1, 1970 settling the anti-trust suit requires the Company to select and divest 30 stores by October 31, 1973. Five of these stores are to be sold by the April 30, 1972 date approved by the U.S. Department of Justice and the Federal District Court. Four have been sold of which three have already been approved.

The Company's growth places increasing importance on coordinating the merchandising activities of the retail stores with those of the manufacturing divisions. Donald G. Carney received this important assignment as he was advanced to vice president of merchandising on the corporate staff. He was formerly executive vice president of the Retail Division and was succeeded in this position by William H. Mier, who has an extensive background in the men's apparel industry.

The Company made its first manufacturing acquisition outside of the men's apparel field by purchasing the net assets and business of Blue Jeans Corporation and its affiliates for cash on January 6, 1972. Blue Jeans, which employs 600 persons in North and South Carolina and New York, manufactures jeans for teenage boys and girls, women and children, and also markets jackets, overalls and coordinated outfits. Sales and earnings of the new division, which intends to expand production to include men's jeans, will be included in your Company's results in 1972.

In December, 1971, the Company purchased a one-half interest in Robert's, the leading manufacturer-retailer of men's quality clothing in Mexico. The investment in Robert's, which will not be consolidated, will be accounted for on an equity basis, and your Company's share of Robert's earnings will be included in your

Company's income. Robert's has new manufacturing facilities and five retail stores in Mexico City, where it is headquartered, and operates six stores elsewhere in Mexico. The affiliation between the Company and Robert's enables Robert's to take advantage of opportunities to expand its retail division and to export to Latin America and Europe.

Changes in monetary and economic conditions affect potential investments overseas. The Company is evaluating the effects of these changes and is continuing discussions with Marubeni, a large trading company, with the objective, subject to required approval of the Japanese government, of manufacturing and marketing apparel in Japan under the Hart Schaffner & Marx label.

Austin Reed Group Limited, operating 47 men's stores throughout Great Britain, issued additional shares in 1971 as it continued to expand. Your Company maintained the 11.6 percent interest acquired in 1968 by purchasing its proportion of the additional shares offered. Austin Reed has increased in sales and earnings, and the market value of your Company's investment has risen to over \$3 million from a cost of \$1,149,000. Only dividends from Austin Reed Group Limited are included in your Company's earnings. Austin Reed Group Limited licenses its name to your Company's Austin Reed of Regent Street Division, which has been quite successful in the manufacture and sale of its products in the United States.

Johnny Carson Apparel, Inc., which was created in 1970, expects to sell over 250,000 suits and sport coats throughout the United States in 1972. The outstanding success of this majority-owned subsidiary far exceeds original expectations. Johnny Carson is actively engaged in this enterprise and was warmly welcomed at the Menswear Retailers of America convention in Houston in February, 1972. Johnny Carson Apparel recently licensed the manufacture and sale of suits and sport coats in Canada beginning with Fall 1972.

Jack Nicklaus, whose accomplishments in golf are known to all, has been important in the growth of sportswear in the Company during the past four years. On June 1, 1971, a significant new long-term arrangement with Mr. Nicklaus replaced a previous license agreement. He invited the Company to control jointly the licensing of his name in the men's wear industry. Hart Schaffner & Marx will coordinate the merchandising and the promotion of apparel bearing the Jack Nicklaus label, which offers opportunities for the Company in the United States and Canada.

The economy is beginning to regain momentum while being influenced by wage and price controls. Fortunately, it seems that the consumer is loosening his purse strings and returning to the market place. Retail sales are increasing, and earnings prospects through at least the first half of the year are considerably improved. Inventories are at low levels, and advance orders placed with our manufacturing divisions

are encouragingly higher than last year. Consolidated sales for December and January, the first two months of the 1972 fiscal year, increased 10 percent.

The Company is in excellent financial condition. The proceeds from the issue of \$35,000,000 Sinking Fund Debentures due 1996 were used in March, 1971 to pay bank loans. Bank loans, under a long-term agreement, were reduced from \$49,000,000 at November 30, 1970 to \$9,100,000 at November 30, 1971 and were further reduced to \$2,800,000 at January 31, 1972.

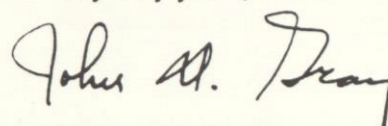
On January 12, the directors declared a quarterly cash dividend of 20 cents a share payable February 15 to shareholders of record January 31, 1972. The year 1972 marks the 33rd successive year of dividends.

At the same meeting Charles L. Brown, president and director of the Illinois Bell Telephone Company, was elected a director. Mr. Brown, age 50, is also a director of the Harris Trust & Savings Bank, Inland Steel Company and General American Transportation Corporation and is active in educational and civic affairs. We welcome him to our board.

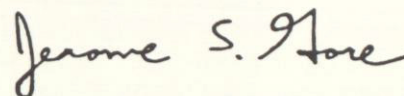
We are saddened by the death on February 6, 1972 of Roger Hull. Mr. Hull was chairman of the board of The Mutual Life Insurance Company of New York and served as a director or trustee of many companies and institutions. He was an outstanding businessman and a great humanitarian. Mr. Hull made a significant contribution as a valued director of our Company since 1963 and will be greatly missed by all of us.

The Company's products and service have earned an outstanding reputation. The efforts and accomplishments of our employees in serving our customers are deeply appreciated and the directors and officers join us in thanking them for their dedication to our Company.

Very truly yours,



Chairman and
Chief Executive Officer



President

February 28, 1972

MANUFACTURING AND MARKETING

The Company's 1971 volume of shipments by its manufacturing divisions was 1½ percent below 1970. All the divisions experienced increases in advance orders for the Spring 1972 season due to improved economic conditions and actions taken which strengthened their competitive positions in the market.

Double-knit and other stretch fabrics have become an important share of the men's apparel market. The Company maintained industry leadership as certain manufacturing shops were converted to the exclusive production of double-knit clothing, and unique and sophisticated manufacturing techniques were developed. A special Company task force visited the major mills in this country, as well as 20 of Europe's finest knitters, to select those which were best equipped to develop exclusive new polyester-and-wool blend knitted fabrics in the Company's own special designs. The Company has also been in the forefront in producing clothing of 100 percent polyester and polyester/wool texturized woven fabrics with stretch capability. Pure wool woven fabrics with the stretch factor produced through mechanical or chemical processes have also been carefully tested and will play an important part for Fall 1972.

An industry-wide union contract between the Amalgamated Clothing Workers and the Clothing Manufacturers Association, to which the divisions manufacturing suits and sport coats belong, was agreed upon in 1971. The annual wage increase is 20 cents hourly in June, 1971, 1972 and 1973, representing about six percent annually over the three-year period of the contract.

Hart Schaffner & Marx Clothes

The Hart Schaffner & Marx Clothes Division, headquartered in Chicago, manufactures men's clothing under the labels of Hart Schaffner & Marx, Society Brand, Sterling & Hunt and Graham & Gunn, Ltd., as well as career apparel under Fashionaire.

Now in its 85th year, the Hart Schaffner & Marx name continues to be foremost in its field. During the past year strong merchandising programs were developed to appeal to the major segments of the men's quality clothing market. For the youthful, the new Hart Schaffner & Marx "Escadrille Collection" features woven

wool saxonies and cheviots, as well as double-knit fabrics from one of Britain's finest mills. Three double-page advertisements in national magazines will announce this new collection for "the young, the dauntless and the daring."

In men's clothing there is a return to classic elegance, and the man who prefers dressy stripes, plaids and herringbones will find them in the Hart Schaffner & Marx collection in pure wool Heritage Worsteds with action stretch or in double-knits of polyester and wools. There are important developments, too, for the man who wants to be first with fashion . . . super-fine French double-knit fabrics developed by Hart Schaffner & Marx . . . elegant worsteds from textile craftsmen in the far corners of the world.

The Desert Classic Blazer and the Vira-Flex Suit, both in Hart Schaffner & Marx' new stretch woven fabric



Right: Johnny Carson's summer collection includes a western-styled suit of a two-way stretch texturized twill fabric that has the look of denim.

Center: Country plaid in a double-knit British fabric from the lively "Escadrille Collection" of Hart Schaffner & Marx aimed at the young American man.

of texturized Dacron polyester and wool, are being modeled in a series of national advertisements by America's best-known traveler, Bob Hope.

For the sports-minded, Hart Schaffner & Marx has developed the Jack Nicklaus Collection of blazers, blazer suits and sport coats with harmonizing slacks . . . all in a luxurious new, exclusive double-knit fabric. This program was introduced through four-page fold-out advertisements in *Sports Illustrated* for Christmas 1971 and will be heavily advertised in the months to come.

In 1971 Hart Schaffner & Marx agreed to a proposal by Jack Nicklaus to manage the coordinated Nicklaus apparel programs. Under the new arrangement, Hart Schaffner & Marx will coordinate the activities of its own divisions with those of other manufacturers.

Society Brand, this year celebrating 70 years of fashion leadership, produces a high quality line of suits, sport coats, topcoats and slacks in fine woven and double-knit fabrics, which is featured in leading men's specialty and department stores throughout the nation. Society Brand's Brijo Collection of double-knit fabrics

from Europe's finest mills has received special acclaim. The Society Brand story is being beamed to the businessman through a special campaign in the *Wall Street Journal*.

The Sterling & Hunt brand, one of two introduced seven years ago by the Company, is now sold in the nation's most important markets by major department stores.

Graham & Gunn, Ltd., the other label introduced in 1965, is an important brand name to a number of the nation's prestige men's specialty stores. This brand has



Above: Bob Hope is shown wearing the Hart Schaffner & Marx Vira-Flex™ Suit, a new weave of texturized Dacron® polyester and wool.

been advertised in *The New Yorker* magazine, and plans this year are to expand advertising into other areas.

Fashionaire manufactures and markets creatively-styled career apparel for airlines, banks, car rental firms, hotels and other companies whose personnel must present to the public a fashionable and well-groomed image. The customers served during 1971 included American Airlines, United Air Lines, Trans World Airlines, Pan American Airlines, Eastern Airlines, Delta Airlines, Northwest Orient Airlines, Frontier Airlines, Southern Airlines, as well as the U. S. National Park Service, Avis Rent-A-Car, John Deere, Boy Scouts of America and the Stouffer Restaurants.

Hickey-Freeman Co., Inc.

The Hickey-Freeman Co., Inc., of Rochester, New York, acknowledged leader in the top quality men's clothing field, tailors merchandise under three nationally-known labels—Hickey-Freeman, Walter-Morton and Gilbert & Lodge—as well as labels used locally by fine specialty and department stores.



Hickey-Freeman's exclusive Texturease™ fabric, a revolutionary new woven with stretch characteristics, is shown here in the advanced Wexguard model.

While knits have grown in importance, bookings of spring-weight woven woolens and solidly-established fine tropical fabrics are substantial. A new fabric development, confined to the Hickey-Freeman Division, is marketed under the trademark Texturease. It was received enthusiastically by retailers during its Fall 1971 introduction. Texturease is a yarn treatment that contributes to woven fabrics many of the desirable comfort features that have made knits so popular with consumers.

The holiday line of resort wear offered retailers for November and December, 1971 delivery resulted in the highest sales ever for this category.

Jaymar-Ruby, Inc.

Jaymar-Ruby, which for years has been the country's largest manufacturer of men's quality dress slacks, achieved a new sales record in 1971 and broadened its distribution by nearly 10 percent by opening additional retail accounts throughout the country. Its labels are Jaymar, Sansabelt and that of golf star Cary Middlecoff.

The division reports Spring 1972 advance orders sharply ahead of the same period in 1971 and expects a new sales record for this year.

Jaymar-Ruby has introduced Sansabelt II for Spring 1972, an innovative style with concealed washable waistband webbing. The new style is known as Securo-Plus in the line of Silver/Gulfstream, Inc., Jaymar's wholly-owned subsidiary which offers its own collection of men's sport and dress slacks. The subsidiary also tailors slacks under the Silver/Gulfstream and SelfSizer labels, and will introduce the new "Peace Goods" line in Fall 1972 directed toward young men.

Double-knits and other stretch fabrics are expected to account for 85 percent of Jaymar's production this year. The division has signed Tom Shaw, a young professional golfer, to appear in the Jaymar advertising and promotional materials for the Sansabelt II line.

M. Wile & Company, Inc.

M. Wile & Company, Inc., of Buffalo, is ranked among the leading manufacturers of intermediate-priced men's apparel in the U.S. Its merchandise is distributed coast to coast under the private labels of individual stores and under its own Don Richards label.

M. Wile also manufactures the suits, sport coats and slacks for its majority-owned subsidiary, Johnny Carson Apparel, Inc.

Johnny Carson Apparel, Inc.

Currently completing its second year, Johnny Carson apparel is offered by 1400 U.S. retailers. The 21 apparel categories included in the Carson wardrobe are manufactured by three divisions of the Company as well as outside licensees. The design and marketing of

all merchandise is coordinated by Johnny Carson Apparel, Inc.

Last year over 200,000 suits and sport coats alone were sold under the Carson label, and the production projection for 1972 is for over 250,000 units. Retailers throughout the country have vigorously promoted the Carson wardrobe which is in the intermediate price category. Among these is Carson Pirie Scott & Co. in Illinois which backed the largest clothing order ever purchased by its Men's Store with a 10-day "Carson's Loves Carson" promotion combining newspaper and direct-mail advertising, television, window displays and special press events.

Next fall Johnny Carson suits and sport coats will be manufactured and distributed throughout Canada. The clothing will be tailored in that country by Canadian Clothiers, a division of Dylex Diversified, Ltd., of Toronto, which will coordinate directly with both the U.S. merchandising and marketing concepts of Johnny Carson Apparel.

Great Western

The Great Western Division, of Minneapolis, tailors a complete line of men's and boys' outerwear and sportswear under its own name. In addition, it also manufactures a number of these items for the Johnny Carson wardrobe and for the Austin Reed of Regent Street program. Production is being expanded this year.

The division is doubling the size of its sportswear collection and will feature a comprehensive selection of knitted and woven fabrics. In addition, it will introduce a collection of leather and suede jackets

as well as a number of new longer coat styles. An expanded advertising program will present these products to both the trade and consumers this year.

Gleneagles, Inc.

Gleneagles, Inc., located in Baltimore, tailors weathercoats and outercoats under the Gleneagles, Johnny Carson and Austin Reed of Regent Street labels. This year it is manufacturing coats under the Jack Nicklaus label as well.

The division has in operation an aggressive marketing and sales program to broaden its share of the weathercoat market. Important new styles in the 100 percent wool worsted gabardine, double-knit and texturized woven fabrics met with great success in 1971, and selections are being broadened for 1972.



Graham & Gunn, Ltd.'s (above) summer collection includes a double-knit sport coat with British suntan plaid on white background.

Sterling & Hunt (above, far right) presents its advance-styled Marquis II suits and sport coats in new double-knit fabrics.

Society Brand (right) is featuring a "whole new slant on styling" which is typified in this Avante suit's wide peaked lapels and shoulders with a forward pitch expression.



Austin Reed of Regent Street

The Austin Reed of Regent Street Division, based in Chicago, is staging a comprehensive marketing campaign to broaden the distribution of this intermediate-priced clothing line comprising suits, sport coats, slacks, weathercoats and outercoats.

This international label is utilized on clothing which is basically British by design but manufactured in the U.S. Eighty-five percent of the fabrics are from England, Scotland and Ireland. An expanded advertising campaign will feature four-color photographs taken in London. This series of six advertisements will run in *Sports Illustrated* magazine next fall and is included in

Great Western (left below) gives the storm coat bold styling treatment in an all-wool diagonal velour with synthetic Persian pile collar.

Austin Reed of Regent Street (right below) next fall will run a special series of magazine advertisements shot on location in England. This one features the Saddleworth suit of pure wool Saxony woven in Great Britain.

a special pull-out advertisement in the February, 1972 *Men's Wear*.

Austin Reed of Regent Street became a separate division of Hart Schaffner & Marx during 1971, and Barry Austin Reed, managing director of Austin Reed Group Limited, headquartered at the Regent Street store in London, is chairman of this division.

Craigmore Clothes, Inc.

Craigmore Clothes, Inc., located in Chicago, has tailored suits and sport coats for Sears, Roebuck & Co. for over half a century and is that retailing firm's oldest men's clothing resource. Craigmore is currently manufacturing double-knits for Sears.

Craigmore moved into a factory facility in 1971 which doubled its operating space and is being totally engineered for men's clothing production.

Blue Jeans Corporation

The Company's purchase of Blue Jeans in January, 1972 was its first manufacturing acquisition outside the men's apparel field. Blue Jeans



Joel Levitt, the founder of Blue Jeans, continues with the business and is chairman and chief executive officer. Elliot Regen, who has been in the business 16 years, has been elected president and chief operating officer.

RETAIL PRICE: \$50 75 100 125 150 175 200 250 300

RETAIL DIVISION

The Retail Division achieved increases in sales and earnings during 1971. Sales, including leased departments, exceeded \$265 million, a record high. Margins improved as markdowns declined, reflecting the acceptance and stabilization of the new fashions.

Fourteen new stores were added in selected markets in 1971. Five were women's specialty stores and nine were men's (six were closed or sold). The division now operates 256 stores, of which 241 are men's and 15 are women's. In addition, three smaller stores in Buffalo and two in Los Angeles were opened in 1971 to sell slacks and jeans.

The major men's units are: Wallachs—27 stores in the New York, New England and Miami area; Baskin—14 stores in Illinois and Wisconsin; Silverwoods—21 stores in Los Angeles and Las Vegas; and Hastings—15 stores in San Francisco and Sacramento. A complete listing of all retail stores is on page 20. The nine men's stores opened in 1971 are shopping center locations near Atlanta, Chicago, Dallas, Fort Worth, Los Angeles, Minneapolis, New York and two Wallachs stores in Massachusetts.

The women's specialty stores continued their successful expansion. Chas. A. Stevens of Chicago opened three stores, two in existing centers in Randhurst and River Oaks and one in the new Lakehurst Center in Waukegan. Stevens plans to open an additional store this year. J. P. Allen opened in Northlake Shopping Center, northeast of Atlanta, and also opened a junior sportswear shop called "The

Underground" in Perimeter Mall. DeJong's of Evansville completely remodeled and expanded its store in the Lawndale Shopping Center.

The nationwide Retail Division has grown in five years from 140 to 256 stores in 75 metropolitan areas containing two-thirds of the U.S. population. Important personnel additions and systems improvements in merchandising, publicity and operations have been made commensurate with this growth.

The Retail Division continues to expand in each of its markets where important shopping centers are being developed. A capital expenditure investment of about \$6 million is planned during 1972 for additional shopping center stores and extensive remodeling to modernize stores in a number of major marketing areas.

The division expanded further into the youth-oriented apparel market by opening additional shops within the 256 stores catering to this important consumer group. There are now about 50 of these operations. Baskin has "I-Beam" shops in Randhurst, Highland Park, Old Orchard, Evergreen, River Oaks and Lakehurst Shopping Centers. Wallachs opened two "I-Beam" shops. Others are the "Adam's Apple" in Kansas City, "Bull's-eye" in Los Angeles and "Jax 'n Jills" in Jacksonville, Florida.

Personalized service, quality and fashion merchandise continue to be emphasized in the retail stores. Today's consumer is more receptive than ever to quality assortments and product value, and the Company stores have intensified their efforts to meet this demand.



British Week activities in Hastings' downtown San Francisco store (left) included an English racing car display. Princess Alexandra (below), cousin to Queen Elizabeth of England, visited Hastings during the event.



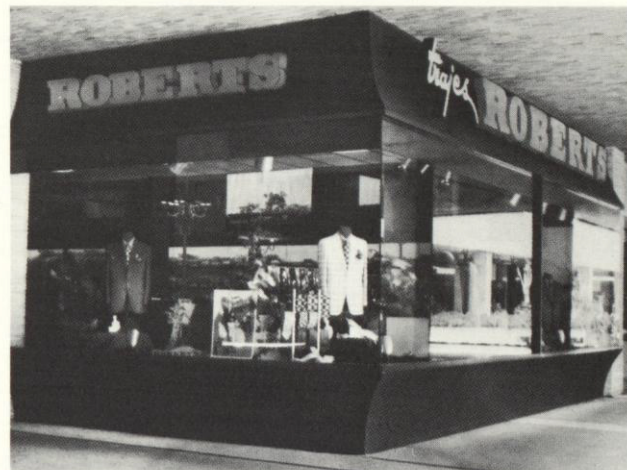
Organizacion Robert's, S.A. de C.V. (Mexico)

A 50 percent interest in Robert's, the leading manufacturer-retailer of men's quality clothing in Mexico, was purchased by the Company in December, 1971.

The affiliation with Hart Schaffner & Marx enables Robert's to take full advantage of its excellent opportunities for growth in Latin America and the export markets. Robert's strong management team, headed by Jorge J. Springer, president, has plans to expand both manufacturing and retail operations. Present plans call for opening several stores in Mexico in 1972 and the future program includes opening additional stores in Mexico and other Latin American countries. Mexico, with a population of 50 million and a fast growing middle class market to which Robert's sells, has stability in currency and government, a favored position in international trade and great potential for maintaining its impressive record of economic growth.

Robert's manufacturing facilities were expanded during 1971 when it moved into modern new headquarters in Mexico City. Its principal products are men's suits, sport coats, slacks and neckwear, and it recently added a student's line.

The firm operates 11 retail stores which sell its own products as well as furnishings and accessories of other manufacturers. Five of the Robert's stores are in the Mexico City area and six are in other cities throughout Mexico. Its newest store opened in October, 1971 near Mexico City in Satellite City, the largest enclosed shopping center in Latin America which houses branches of Mexico's three largest department stores and three largest banks.



Top above: Robert's store in Universidad Center, Mexico City.



Above: J. P. Allen of Atlanta recently opened this new women's apparel store in Northlake Center.



Above: Two of New Orleans most prestigious men's wear stores—Porter's and Stevens, both owned by Hart Schaffner & Marx—were merged this year for more efficient market coverage. Shown is the recently enlarged Lakeside Mall store.

Right: Jack Henry opened an "Adam's Apple" shop in Kansas City which caters to young quality-conscious customers.







Far upper left: Furnishings department in the new Wallachs store in Braintree, Massachusetts, another step in the New York-based store's expansion into the New England area.

Near upper left: Youth-oriented Bull's-eye shop within the newly-opened Silverwoods store in Los Cerritos Center, Los Angeles.

Lower left: Contemporary clothing department in the new Baskin store opened last year in Lakehurst Center, Waukegan, Illinois.

Top, this page: Chas. A. Stevens' new store in Lakehurst Center.

Bottom, this page: Clothing department in Zachry's new store in the Northlake Center in suburban Atlanta.

CONSOLIDATED STATEMENT OF EARNINGS

	Fiscal years ended November 30,	
	1971	1970
Net sales	\$372,022,000	\$363,406,000
Other income	3,176,000	3,386,000
	375,198,000	366,792,000
Cost of goods sold	227,640,000	224,254,000
Selling, administrative and occupancy expenses (Notes 5 and 6)	118,219,000	111,245,000
Depreciation and amortization (Note 7)	5,905,000	5,335,000
Interest	3,729,000	4,188,000
	355,493,000	345,022,000
Earnings before taxes	19,705,000	21,770,000
Taxes on income:		
Current	9,043,000	9,689,000
Deferred	312,000	711,000
	9,355,000	10,400,000
Net earnings for the year	\$ 10,350,000	\$ 11,370,000
Earnings per common share and common share equivalent (Note 2)	\$1.18	\$1.30

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Balance at beginning of year	\$103,135,000	\$ 98,802,000
Net earnings for the year	10,350,000	11,370,000
	113,485,000	110,172,000
Deduct:—		
Cash dividends paid:		
On preferred shares, \$2.00 per share	189,000	189,000
On common shares, \$.80 per share	6,852,000	6,848,000
	7,041,000	7,037,000
Balance at end of year	\$106,444,000	\$103,135,000

To the Shareholders and Board of Directors of Hart Schaffner & Marx

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, retained earnings and changes in financial position present fairly the financial position of Hart Schaffner & Marx and its subsidiaries at November 30, 1971 and 1970, the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Chicago, Illinois,
January 14, 1972

Price Waterhouse & Co.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITIONFiscal years ended
November 30,**1971****1970**

Working capital was provided by:

Net earnings for the year	\$10,350,000	\$11,370,000
Depreciation and amortization	5,905,000	5,335,000
Working capital provided from operations	16,255,000	16,705,000
Issuance of 8½ % sinking fund debentures	35,000,000	
Borrowings under bank credit agreement		9,000,000
Stock options exercised	295,000	515,000
	51,550,000	26,220,000

Working capital was used for:

Repayment of borrowings under bank credit agreement	39,900,000	
Reduction of other long-term debt	1,176,000	1,456,000
Payment of dividends	7,041,000	7,037,000
Property additions	9,249,000	10,368,000
Purchase of treasury shares	126,000	160,000
Debenture issue costs	666,000	
Other	163,000	238,000
	58,321,000	19,259,000

Increase (decrease) in working capital

<u>\$(6,771,000)</u>	<u>\$ 6,961,000</u>
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Changes in components of working capital:

Cash	\$(3,191,000)	\$ 5,643,000
Accounts receivable	3,116,000	(2,939,000)
Inventories	1,914,000	(7,959,000)
Prepaid expenses	116,000	(305,000)
Accumulated income tax prepayments	(312,000)	389,000
Notes payable		4,860,000
Current maturities of long-term debt	60,000	(31,000)
Accounts payable	(3,804,000)	236,000
Accrued expenses	(1,672,000)	1,151,000
Federal and state income taxes	(2,998,000)	5,916,000
Increase (decrease) in working capital	<u>\$(6,771,000)</u>	<u>\$ 6,961,000</u>

(See accompanying notes to consolidated financial statements)

CONSOLIDATED BALANCE SHEET**ASSETS**November 30,
1971 **1970****CURRENT ASSETS:**

Cash	\$ 10,166,000	\$ 13,357,000
Accounts receivable, less allowance for doubtful accounts— \$2,859,000 and \$2,887,000 respectively	67,525,000	64,409,000
Inventories, at lower of cost or market	114,205,000	112,291,000
Prepaid expenses	2,210,000	2,094,000
Accumulated income tax prepayments	2,024,000	2,336,000
Total current assets	<u>196,130,000</u>	<u>194,487,000</u>

OTHER ASSETS:

Investment in and advances to Austin Reed Group Limited, at cost (market value approximately \$3 million at November 30, 1971)	1,149,000	1,112,000
Cash value of life insurance and other investments	2,005,000	1,840,000
Unamortized debenture costs	634,000	
	<u>3,788,000</u>	<u>2,952,000</u>

PROPERTIES, at cost:

Land	1,207,000	1,207,000
Buildings and building equipment	10,678,000	10,278,000
Furniture, fixtures and equipment	54,736,000	49,466,000
Leasehold improvements	35,103,000	32,469,000
	101,724,000	93,420,000
Accumulated depreciation and amortization (Note 7)	51,501,000	46,541,000
	50,223,000	46,879,000
	<u>\$250,141,000</u>	<u>\$244,318,000</u>

LIABILITIESNovember 30,
1971 1970**CURRENT LIABILITIES:**

Current maturities of long-term debt	\$ 1,170,000	\$ 1,230,000
Accounts payable	29,323,000	25,519,000
Accrued expenses	13,430,000	11,758,000
Federal and state income taxes	4,679,000	1,681,000
Total current liabilities	<u>48,602,000</u>	<u>40,188,000</u>

LONG-TERM DEBT, less current maturities (Note 4):

8½ % sinking fund debentures due 1996	35,000,000	
4¾ % note payable \$600,000 annually to 1983	6,600,000	7,200,000
Notes payable to banks under credit agreement	9,100,000	49,000,000
Other debt, extending to 1985	1,194,000	1,770,000
	<u>51,894,000</u>	<u>57,970,000</u>

SHAREHOLDERS' EQUITY:

Preferred shares, \$1 par value (Note 9): Authorized 2,500,000; issued and outstanding, Series A, 94,440	94,000	94,000
Common shares, \$2.50 par value (Notes 1, 3, 9 and 10): Authorized 25,000,000; issued 8,583,316 in 1971 and 8,570,716 in 1970	21,458,000	21,427,000
Capital surplus (Note 10)	22,007,000	21,743,000
Retained earnings, per accompanying statement (Note 4)	106,444,000	103,135,000
	150,003,000	146,399,000
Common shares in treasury, at cost— 14,828 in 1971 and 10,100 in 1970 (Note 10)	358,000	239,000
	<u>149,645,000</u>	<u>146,160,000</u>
	<u>\$250,141,000</u>	<u>\$244,318,000</u>

(See accompanying notes to consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and all of its subsidiaries at November 30, 1971. Subsequent to the close of the 1971 fiscal year, the Company purchased a 50% interest in Robert's, S.A. de C.V. (a Mexican Corporation) for cash and 28,332 shares of the Company's common stock and purchased the net assets and business of Blue Jeans Corporation and its affiliates for cash.

NOTE 2—Earnings Per Share:

Earnings per common share and common share equivalent are based on the weighted average number of common shares and common share equivalents outstanding during each year. Stock options and the Series A preferred shares have been included as share equivalents and, in the case of stock options, the share equivalents have been reduced by treasury shares which could have been purchased at average market prices with proceeds received had the options been exercised.

NOTE 3—Stock Option Plans:

Under the Company's stock option plans, 423,554 unissued common shares were reserved at November 30, 1971 for options granted or to be granted to officers and key employees. The changes in the number of shares under option during the years ended November 30, 1971 and 1970 were as follows:

	Shares	
	Years ended November 30,	
	1971	1970
Under option at beginning of period	340,401	365,649
Granted	94,660	24,100
Expired or terminated	(75,950)	(17,573)
Exercised	(12,600)	(31,775)
Under option at end of period	346,511	340,401
Options exercisable at end of period	167,500	174,371

All options were granted at the highest selling price of the stock on the New York Stock Exchange on the dates of the grants. Options were exercised during the fiscal year 1971 at prices ranging from \$21.58 to \$26.67 per share and during the fiscal year 1970 at prices ranging from \$15.44 to \$26.33 per share, and options outstanding at November 30, 1971 ranged in price from \$18.50 to \$38.67 per share.

NOTE 4—Long-Term Debt:

The indenture under which the 8½% sinking fund debentures were issued requires annual debenture retirements of \$1,750,000 commencing in 1978.

The Company and a group of banks have a credit

agreement which provides that the Company may borrow up to \$20,000,000 and may convert into term loans any portion of this \$20,000,000 prior to July 30, 1973. Such term loans would be payable in equal amounts during 1974-1977. Interest rates are ¼% above the prime commercial rate on interim borrowings and ¾% above prime on term loans.

Under the most restrictive provisions of the Company's several borrowing agreements, senior funded debt was limited at November 30, 1971 to approximately \$75,000,000 based on the ratio of such debt to tangible assets less current liabilities. No limitation exists on subordinated funded debt. The Company is required to maintain consolidated net working capital of \$125,000,000 (which amount will increase \$5,000,000 per year to a maximum of \$140,000,000) less any unused commitments under the bank credit agreement. Consolidated retained earnings of \$84,959,000 was restricted at November 30, 1971 as to the payment of cash dividends.

NOTE 5—Leases:

At November 30, 1971, the Company and its subsidiaries were parties to 333 separate noncancellable lease agreements, primarily covering retail store properties. Leases expiring by November 30, 1974 require minimum annual rental payments of \$1,080,000 and leases expiring thereafter require minimum annual rental payments of \$9,400,000. Over ninety percent of the leases provide for the payment by the lessors of all or most of the applicable property taxes, which are substantial in proportion to the minimum rentals.

Total rentals include additional rentals based on a percentage of sales (including sales of leased departments) in excess of stipulated minimums. The total rentals paid, including those under short-term cancellable leases, were \$14,280,000 in 1971 and \$12,601,000 in 1970.

NOTE 6—Pension Plans:

The Company and its subsidiary companies have a number of pension plans covering substantially all non-union employees and some union employees. These plans are administered partly under trust agreements and partly through group annuity contracts with an insurance company. The principal plan requires contributions by employees and one other plan permits voluntary employee contributions. Except for several deferred profit-sharing plans of subsidiary companies, all Company contributions are based on actuarial requirements. Total pension costs for the years ended November 30, 1971 and 1970 were \$2,245,000 and \$2,029,000 respectively, which include current service costs and, as to plans not fully funded, amortization of prior service costs over ten to thirty years. The Company's policy is to fund normal and prior service pension costs as accrued. The amounts funded under the plans exceeded the actuarially

computed total of vested benefits at November 30, 1971.

In addition to the above, the companies contribute amounts based on a percentage of the wages of other union employees to funds administered by the unions for combined employees' welfare and retirement benefits.

NOTE 7—Depreciation Policy:

The Company uses accelerated depreciation methods for a significant portion of its properties and the straight-line method for the remainder.

NOTE 8—Consent Decree:

Under the terms of a consent decree entered on June 1, 1970 by the United States District Court, the Company has agreed not to acquire an interest in any men's clothing store for five years without the approval of the Department of Justice, and for an additional five years without the approval of either the Department of Justice or the Court. The Company also agreed that prior to October 31, 1973, it would select and dispose of thirty men's stores which purchased from all suppliers during the twelve

months ended January 31, 1969 a combined total of 52,500 better priced men's suits. Management does not anticipate that, overall, these divestitures will have a material adverse effect on either the Company's future financial position or its future results of operations.

NOTE 9—Preferred Shares:

Preferred shares, all of which carry a par value of \$1 per share, are issuable in series and have such rights, preferences and limitations as may be fixed by the Board of Directors at the date of issuance. The Series A preferred shares are voting shares, are each convertible into 1.8 common shares, are cumulative with an annual \$2 dividend rate, provide for a liquidation price of \$67.50 per share (an aggregate of \$6,375,000 at November 30, 1971) and are callable on or after May 1, 1974 at their liquidation price. There were no changes in preferred shares outstanding during the fiscal years ending in 1970 and 1971. As at November 30, 1971, there were 169,992 common shares reserved for conversion of the preferred shares.

NOTE 10 — Common Shares and Capital Surplus:

Changes in common shares issued, capital surplus and common shares in treasury during the years ended November 30, 1970 and 1971 were as follows:

	Common shares issued		Capital surplus	Common shares in treasury	
	Shares	Par value		Shares	Cost
Balance at November 30, 1969	8,538,941	\$21,347,000	\$21,308,000	3,223	\$ 85,000
Stock options exercised	31,775	80,000	435,000		
Treasury shares purchased				7,100	160,000
Treasury shares used as employee awards				(223)	(6,000)
Balance at November 30, 1970	8,570,716	21,427,000	21,743,000	10,100	239,000
Stock options exercised	12,600	31,000	264,000		
Treasury shares purchased				5,000	126,000
Treasury shares used as employee awards				(272)	(7,000)
Balance at November 30, 1971	8,583,316	\$21,458,000	\$22,007,000	14,828	\$358,000

TEN YEAR SUMMARY

Year Ended Nov. 30	Net Sales (in thousands)	Net Earnings (in thousands)	Earnings Per Share	Cash Dividends Per Share	Shareholders' Equity Total (in thousands)	Equity Per Share
1971	\$372,022	\$10,350	\$1.18	\$.80	\$149,645	\$17.12
1970	363,406	11,370	1.30	.80	146,160	16.74
1969	370,130	15,820	1.87	.80	141,466	16.25
1968	333,805	14,908	1.85	.73	114,965	14.25
1967	287,948	13,458	1.72	.67	99,287	12.77
1966	265,729	13,127	1.69	.53	89,416	11.64
1965	241,106	11,136	1.45	.41	80,387	10.52
1964	211,161	7,118	.95	.36	70,438	9.44
1963	187,968	4,817	.66	.31	64,430	8.85
1962	177,470	4,220	.58	.25	61,315	8.51

Figures have been restated for poolings-of-interests. All per-share statistics have been adjusted to reflect a 5-for-4 split February 8, 1963, a 2-for-1 split March 25, 1965, a 3-for-2 split January 14, 1966, and a 3-for-2 split February 3, 1969.

RETAIL DIVISION

256 Retail Stores and Their Executive Officers

Robert J. Witt, *President*

William H. Mier, *Executive Vice President*

Charles A. DeChants, *Vice President*

Don A. Miller, *Vice President*

Matthew F. Shannon, *Vice President*

Peter J. Stelling, *Vice President*

Gene Coccodrilli, *Second Vice President*

Jerome Dorf, *Second Vice President*

Donald Putnam, *Second Vice President*

Peter L. Meyer, Jr., *Controller*

Seymour Platt, *Assistant Treasurer*

J. P. ALLEN (5), Atlanta, Ga.—Peter J. Stelling—
(women's specialty stores)

B. R. BAKER (3), Cleveland, Ohio—Howard Rubin

BASKIN (11), Chicago—Urbana, Ill.—Earl Graham and
Melvin Weber

BASKIN—OLSON & VEERHUSEN (3), Madison, Wisc.—
Earl Graham and Melvin Weber

RAY BEERS, Topeka, Kans.—Philip C. Gibson and
Ray Beers, Jr.

BLACKBURN'S (2), Amarillo, Tex.—Calvin McAdams

CAPPER & CAPPER, LTD. (6), Chicago, Ill., and
Detroit, Mich.—Robert A. Ratty

A. M. DAVISON (2), Flint, Mich.—John Cammarata

DeJONG'S (2), Evansville, Ind.—Merritt deJong and
Hubert deJong—(women's specialty stores)

FANNIN'S (3), Montgomery, Ala.—Thomas H. Nelson

FIELD BROS. (4), New York, N.Y.—Bernard Lefenfeld

JACK FOX & SONS, Hammond, Ind.—Robert F. Orr and
Cliff LaReau

ARTHUR FRANK (2), Salt Lake City, Utah—Simon Frank
and Lawrence K. Goldsmith

FRANK BROS. (2), San Antonio, Tex.—Stanley Frank, Sr.,
and George W. Clarke

GOLDBERG'S, Elkhart, Ind.—William L. Waterman

GRIEGER'S, Michigan City, Ind.—William L. Waterman

HANNY'S (8), Phoenix, Ariz.—William O. Manzer

HASTINGS (15), San Francisco-Sacramento, Calif.—
Enzo Belli

JACK HENRY (2), Kansas City, Mo.—Jack Henry and
Ernest A. Dick

HEYWARD-MAHON (2), Greenville, S.C.—Bernard M.
Lipscomb and Glenn E. Turk

HORSFALLS, Hartford, Conn.—Frank T. Reilly

J. O. JONES (2), Charlotte, N.C.—William W. Watts

KLEINHANS (4), Buffalo, N.Y.—Paul G. Rohrdanz and
Stan Smolen

KLOPFENSTEIN'S (6), Seattle-Tacoma, Wash. and
Anchorage, Alaska—Hugh C. Klopfenstein

KONNER'S, Paterson, N.J.—Benn Konner

KUCHARO'S (2), Des Moines, Iowa—Nate Bernstein

LANG'S (3), Akron, Ohio—Frank M. Mark

LEOPOLD PRICE & ROLLE (6), Houston Tex.—
Joyce Lehman and Donald W. Dickey

MORRIS LEVY (2), Savannah, Ga.—James E. Gunning

LEVY-WOLF (4), Jacksonville, Fla.—David L. Kirkhofer

LIEMANDT'S (4), Minneapolis, Minn.—John A. Liemandt
and Thad Larson

LITTLER, Seattle, Wash.—A. A. Littler and Laurence Fry

THE MAN STORE, Asheville, N.C.—Cliff H. Stevens

MAY CLOTHING CO., Bay City, Mich.—Val Lavin

McLEOD WATSON & LANIER (2), Raleigh, N.C.—
G. Louis Schanze and William C. Burt

McMANUS & RILEY (2), Albany, N.Y.—
William W. Reynders

MERRITT SCHAEFER & BROWN (2), Austin, Tex.—
S. H. Ashford

NATIONAL CLOTHING COMPANY (4), Rochester, N.Y.
—George Horwitz and Richard D. Swetonic

PATTERSON-FLETCHER (3), Ft. Wayne, Ind.—
C. Dwight Shirey and Norman Tatman

PORTER'S-STEVENS (4), New Orleans, La.—
Joseph S. Fishman and Raymond S. Fishman

JACOB REED'S SONS (8), Philadelphia, Pa.—
E. J. Hesketh and Theodore Cookenbach

ROOT'S (2), Summit, N.J.—Perry Franklin Root

ROSENBLATTS (3), Portland, Ore.—T. Jackson Aycock

SCHREIBER'S, Scranton, Pa.—Harold Barnett

SHULMAN'S (2), Norfolk, Va.—Leroy Shulman,
Lewis Shulman and James D. Curnutt

SILVERWOODS (21), Los Angeles, Calif. and Las Vegas
Nev.—Stephen C. Bilheimer and Alex J. Cochrane

SMALL'S (2), Lansing, Mich.—George J. Clark and
Norman W. Peterson

STARK BROS. (4), Harrisburg, Pa.—Kenneth R. Stark, Sr.,
and Val Lavin

STEVENS (2), Jackson, Miss.—William L. Featherstone

CHAS. A. STEVENS (8), Chicago, Ill.—John W. Sheldon
—(women's specialty stores)

STUCKEY'S (2), Rockford, Ill.—Raymond H. Schmitz
and Peter C. Bilheimer

F. R. TRIPLER & CO., New York, N.Y.—S. S. Daily

VAN STRAATEN'S (2), Durham, N.C.—Harry J. van
Straaten and William C. Burt

C. N. VICARY CO. (2), Canton, Ohio—Francis J. Sweeney

WALKERS (5), Columbus, Ohio—Paul F. Cockrell

WALKERS (3), Dayton, Ohio—Glen L. Waltrip

WALLACHS (23), New York, N.Y., Connecticut,
Massachusetts, New Jersey and Rhode Island—
Frank T. Reilly

WALLACHS-DICK RICHMOND (4), Miami, Fla.—
Frank T. Reilly and William Handelman

WASHER BROS. (2), Ft. Worth, Tex.—Lloyd Tidmore

WAYMIRE'S (2), Colorado Springs, Colo.—Jack Waymire

WEATHERWAX, Sioux City, Iowa—Carrol N. Smith and
James E. Collman

WICKS & GREENMAN (2), Utica, N.Y.—James G. Capps
and Arthur R. Scoones

JAS. K. WILSON and GUS ROOS (8), Dallas, Tex.—
James K. Wilson, Sr., and Charles S. Huyck

WOLF BROS. (4), Tampa, Fla.—Fred L. Wolf

WOLFF'S (5), St. Louis, Mo.—Russell G. Bartow

ZACHRY (6), Atlanta, Ga.—John H. Brown and
Charles E. Haupt

MANUFACTURING DIVISIONS

Hart Schaffner & Marx Clothes

9 plants: Chicago (5) and Rock Island (2), Ill.; Rochester, Ind.; and Chaffee, Mo.

William Mendelsohn, *President*
Lawrence D. Feldman, *Vice President*
Thomas J. Flavin, *Vice President*
E. O. (Bert) Hand, *Vice President*
Mark J. Lies, *Vice President and Controller*
Kurt Schieren, *Vice President*
Frederick H. Schmeling, *Vice President*
Donald D. Shorr, *Vice President*
Albert Bean, *Second Vice President*
Thomas J. Cody, *Second Vice President*
Stanley W. Johanson, *Second Vice President*
Anthony F. Karson, *Second Vice President*
Alex Rinaldi, *Second Vice President*
Max A. Hart, *Assistant Secretary*
Albert Bergschneider, *Assistant Controller*
LeRoy S. Beckman, *Assistant to the President*

Society Brand Clothes:

Hymen Weintraub, *President*
Howard Zenner, *Executive Vice President*
Joseph G. Peine, *Vice President*

Hickey-Freeman Co., Inc.

5 plants: Rochester (2), Buffalo, East Rochester and LeRoy, N.Y.

Walter B. D. Hickey, Sr., *President*
Paul S. Brescia, *Vice President*
Frank V. Bruno, *Vice President*
Thomas F. G. Hickey, *Vice President*
Walter B. D. Hickey, Jr., *Vice President*
Richard B. Lyons, *Vice President*
Morris M. Medved, *Vice President*
Donald B. Parish, *Secretary-Treasurer*

Jaymar-Ruby, Inc.

9 plants: Michigan City (4) and East Chicago, Ind.; Anniston and Russellville, Ala.; Elizabethtown, Ky.; and Rector, Ark.

Jack M. Ruby, *Chairman of the Board*
Burton B. Ruby, *President*
Leonard W. Benowitz, *Executive Vice President*
Lawrence Kallus, *Group Vice President*
Nathan S. Balser, *Vice President*
Alf Djuvik, *Vice President*
Jack R. Frank, *Vice President*
Hartley Job, *Vice President*
Al E. Kahan, *Vice President*
Harold Leinwand, *Vice President and Treasurer*
Edwin H. Levitin, *Vice President*
Gerald I. Paige, *Vice President*
Stanley A. Bandurski, *Assistant Vice President*
James L. Braswell, *Assistant Vice President*
Stephen N. Gray, *Assistant Vice President*
Martin J. Hochberg, *Assistant Vice President*
Robert L. Plummer, *Assistant Vice President*
Stephen L. Schwartzbach, *Assistant Vice President*
Roger L. Webb, *Assistant Vice President*
Elwyn C. Winston, *Assistant Vice President*
Bernard Levine, *Regional Vice President*
James R. Shibko, *Regional Vice President*
John Ward, *Regional Vice President*
June E. Zylstra, *Secretary*

Silver/Gulfstream, Inc.:

Alvin S. Lauter, *Executive Vice President*
Gordon L. Kalil, *Vice President*
Morton Kramer, *Vice President*

M. Wile & Company, Inc.

5 plants: Buffalo (4) and Dunkirk, N.Y.

Arthur Gunzberg, *Chairman of the Board*
Lawrence Gunzberg, *President*
Anthony Caine, *Vice President*
Harry Feldstein, *Vice President*
Guy Gunzberg, *Vice President*
Norbert Huber, *Vice President, Secretary and Assistant Treasurer*
Theodore Levy, *Vice President*
Arthur Matross, *Vice President*
Frank Norton, *Vice President*
George Odvarka, *Vice President*
Frederick Pepperday, *Vice President*
Edward Robbins, *Vice President*
Victor Jachimowicz, *Second Vice President and Assistant Secretary*

Johnny Carson Apparel, Inc.

Arthur Gunzberg, *Chairman of the Board*
Johnny Carson, *President*
Kenneth Hoffman, *Vice President*
Gary Thorpe, *Vice President*

Gleneagles, Inc.

2 plants: Baltimore and Bel Air, Md.

Charles R. Lamm, *Chairman of the Board*
William D. Asnip, *President*
Alfred S. Oppenheimer, *Vice President*
Thomas J. Peddicord, *Vice President and Treasurer*
William A. Pludo, *Vice President*
Eleanor G. Tadder, *Secretary*

Great Western (Robitshek-Schneider Company)

2 plants: Minneapolis and Chisholm, Minn.

Louis Gross, *Chairman of the Board*
Arnold Rubenstein, *President*
John Nikitas, *Executive Vice President*
Marvin Baumel, *Vice President*
William A. Pludo, *Vice President*
Carl Sand, *Secretary-Treasurer*

Austin Reed of Regent Street

Barry A. Reed, *Chairman and President*
Terry Kalish, *Vice President*

Craigmore Clothes, Inc.

A. Robert Lauter, *President*
Jerome I. Bold, *Vice President*
Sam Dicker, *Vice President*
M. P. Hershfield, *Secretary*
Lee McCutchen, *Treasurer*

Blue Jeans Corporation

4 plants: Whiteville and Henderson, N.C.; and Bethune and Orangeburg, S.C.

Joel Levitt, *Chairman of the Board*
Elliot Regen, *President*
Seymour Elkins, *Vice President*
Martin Steinberg, *Vice President*
Stanley Turitz, *Secretary-Treasurer*



Hart Schaffner & Marx

M. WILE & CO., INC. Don Richards Country Casuals <i>Suits and sport coats</i>	HART SCHAFFNER & MARX CLOTHES Hart Schaffner & Marx Society Brand Sterling & Hunt Graham & Gunn, Ltd. <i>Suits, sport coats, slacks, outercoats and formalwear</i> <u>Jack Nicklaus</u> <i>Suits, sport coats and slacks</i> <u>Fashionaire</u> <i>Men's and women's career wear</i>	HICKEY-FREEMAN CO., INC. Hickey-Freeman Walter-Morton Gilbert & Lodge <i>Suits, sport coats, slacks, outercoats and formalwear</i>
JOHNNY CARSON APPAREL, INC. <i>Coordinated clothing and furnishings</i>		JAYMAR-RUBY, INC. Jaymar-Ruby Sansabelt Cary Middlecoff <i>Sport and dress slacks and walk shorts</i>
CRAIGMORE CLOTHES, INC. <i>Suits and sport coats</i>		<u>Silver/Gulfstream, Inc.</u> Silver/Gulfstream Securoslax SelfSizer <i>Sport and dress slacks and walk shorts</i>
GLENEAGLES, INC. <i>Raincoats and outercoats</i>		
GREAT WESTERN <i>Jackets, car coats, casual coats and coordinated sportswear</i>	AUSTIN REED OF REGENT STREET <i>Suits, sport coats, slacks and outercoats</i>	BLUE JEANS CORPORATION <i>Jeans and coordinated outfits</i>